

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI**

In re: WAREHOUSE 86, LLC Debtor))))))	CASE NO. 08-03423-EE Chapter 11
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**MOTION OF WAREHOUSE 86, LLC
TO RETAIN CONSULTANT**

Warehouse 86, LLC, the Debtor and Debtor-in-Possession herein (“Debtor”), files this *Motion to Retain Consultant* (the “Motion”). In support of the Motion, the Debtor presents to the Court the following:

1. On November 4, 2008 (the “Petition Date”), the Debtor filed its Voluntary Petition under Chapter 11 of the Title 11 United States Code. Pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code, the Debtor is continuing to manage its assets as a debtor-in-possession.

2. An Official Committee of Unsecured Creditors (the “Committee”) was appointed in this case on November 19, 2008 [Dkt. # 062].

3. Ernest K. Strahan III (“Strahan”) was the Chief Financial Officer of the Debtor as of the Petition Date, and he has served as the responsible party for the Debtor in this Chapter 11 case. Heretofore, Strahan has occupied that position and fulfilled all of those responsibilities without receiving any compensation from the Debtor or the bankruptcy estate, despite the fact that those duties are necessary and indispensable and often time-consuming.

4. On December 10, 2008, the Court entered its *Order Granting Debtor's Motion for Authority to Sell Assets Free and Clear of All Liens, Claims, Interests and Encumbrances Outside of the Ordinary Course of Business and Assuming and Assigning Certain Unexpired Leases and Executory Contracts* (Dkt. # 070), by which the Debtor sold substantially all of its assets to a third party.

5. Among the Excluded Assets were all of Debtor's claims for tornado damage and subsequent fire loss that occurred in early 2008, including but not limited to all claims under its insurance policies (the "Insurance Claims") with Employers Mutual Insurance Companies (the "Insurance Company" or "EMC").

6. One of Strahan's responsibilities was to negotiate the settlement of the Insurance Claims with EMC. Those negotiations resulted in EMC's issuing four checks in the total amount of \$2,099,882.35 (the "Insurance Proceeds"), the compromise and settlement of which was approved by this Court in its *Agreed Order Debtor's Motion to Compromise and Settle Disputed Claims with Employers Mutual Casualty Insurance Company* (Dkt. # 224) entered herein on February 4, 2010.

7. Previously, this Court authorized the deposit into the registry of the Court the amount of \$2,089,882.35 of checks made payable jointly to the Debtor and SCK, Inc. pursuant to that certain *Order Approving Joint Motion for Authority to Deposit Insurance Proceeds into the Registry of the Court in Contemplation of the Filing of a Complaint for Declaratory Judgment* (Dkt. # 184) entered on August 26, 2009.

8. Thereafter, the Debtor has been involved in an adversary proceeding with SCK, Inc. and RadioShack Corporation concerning the right of the bankruptcy estate to the

\$2,089,882.35 deposited into the registry of the Court. Strahan has assisted counsel for the Debtor in asserting the rights of the bankruptcy estate to those Insurance Proceeds in that litigation, including testifying on at least two occasions, assisting in the production of documents and otherwise coordinating with counsel for the Debtor the claim of the Debtor to the \$2,089,882.35 of Insurance Proceeds. The Debtor has filed a motion for partial summary judgment, but that has been held in abeyance subject to a mediation presently scheduled before Judge David W. Houston III on August 24, 2010 in Aberdeen, Mississippi.

9. The claim of the bankruptcy estate to the \$2,089,882.35 of Insurance Proceeds is the principal asset of the bankruptcy estate and will be the source of payments to administrative and unsecured creditors herein. The continued assistance and involvement of Strahan as the responsible party in this case is essential to maximize the claims of creditors.

10. In light of the value of Strahan to this chapter 11 case and his critical role in serving as the Debtor's representative both in the litigation with SCK, Inc. and RadioShack Corporation, as well as in the administration of the chapter 11 case itself, the Debtor seeks authorization of the retention of Strahan as a consultant to the Debtor at a monthly consulting fee of \$2,500 per month from and after June 1, 2010 for the services Strahan has provided and continues to provide for the Debtor, with the express understanding that this retention is subject to a 30-day right to cancel on the part of either the Debtor, the Committee or Strahan.

WHEREFORE, Warehouse 86, LLC moves the Court for authority to retain Ernest K. Strahan III as its consultant and compensated representative in this case, at a monthly consulting fee of \$2,500 per month from and after June 1, 2010, for the services provided and continuing to be provided for the Debtor, with the express understanding that this retention is subject to a

30-day right to cancel on the part of either the Debtor, the Committee or Strahan. The Debtor further prays for such other general or other special relief to which, in equity, it might be entitled.

Dated: August 4, 2010.

Respectfully submitted,

WAREHOUSE 86, LLC and
SCK, INC. F/K/A S. C. KIOSKS, INC.

By: *s/Stephen W. Rosenblatt*

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CERTIFICATE OF SERVICE

I, Stephen W. Rosenblatt, certify that I have this date served, either via electronic filing transmission or United States mail, postage prepaid, a true and correct copy of the above and foregoing to the following:

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Dated: August 4, 2010.

s/ Stephen W. Rosenblatt
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